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MEMO ENDORSED

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April 16, 2010

BY HAND

Honorable Frank Maas
United States Magistrate Judge
500 Pearl Street
New York, New York 10007

The Court will hold a
conference to discuss both sides'
letters on 5/7/10 at 2 p.m. in
Courtroom 20A. Maas, usaw, 4/19/10

Re: In re Ramy Lakah, et ano. v. UBS, et al., S.D.N.Y. 07-CV-2799(MGC)(FM)/
Update Concerning Bank Misr and Other Discovery Issues

Dear Magistrate Judge Maas:

As requested by the Court during a conference held March 9, 2010, we submit this update concerning the status of Petitioners' implementation of the Court's direction to obtain and produce certain documents from Bank Misr / Banque du Caire (the "Bank").

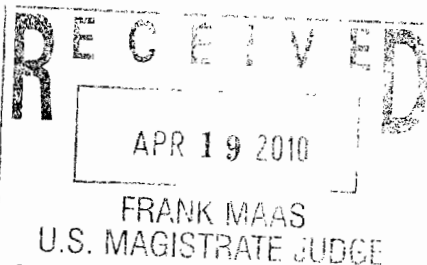
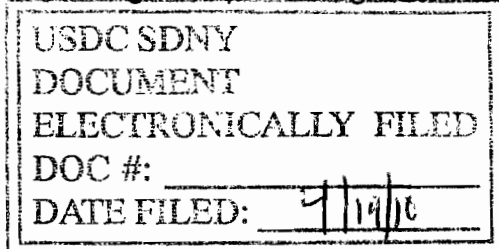
We also describe the status of certain outstanding discovery matters, including Petitioners' continued failures to comply with this Court's directives as they relate to (a) documents held by PricewaterhouseCoopers and Deloitte & Touche, (b) Petitioners' recent production of documents, and (c) Petitioners' identification of the sources of certain of their documents.

Bank Misr

Bank Misr reportedly has located documents that are the subjects of the waiver of banking secrecy and authorization letters (the "Waiver Letters") that this Court, on December 8, 2009, directed the Petitioners to execute and deliver.

Petitioners, however, have not delivered any Waiver Letters to the Bank. They have thus delayed the disclosure of documents at Banque du Caire that are within Petitioners' control.

The attached "Declaration of Ayman Abdel Hameed El Khatib Concerning Visits to Bank Misr in March and April 2010," dated April 15, 2010 (the "Khatib 4/15/10 Decl."), provides a detailed account of events over the period since the Court's last order to Petitioners concerning their producing documents from Bank Misr, including Petitioners'



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delaying tactics and failures to comply with this Court's orders.¹ The following are noteworthy facts in that regard:

1. Neither Petitioner has provided a Waiver Letter to the Bank. Ramy Lakah has failed to comply with this Court's direction that an executed, consularized Waiver Letter be provided by no later than March 23, 2010. (Conf. held March 9, 2010, Tr. at 42-43.) Petitioner Michel Lakah has not delivered to Bank Misr the original of the Waiver Letter that he purportedly signed on January 22, 2010. (Our local Egyptian counsel supplied a copy of Michel Lakah's Waiver Letter to Bank Misr on March 4, 2010. The Bank has indicated that it is using that copy to guide its search for responsive documents.)
2. Ramy Lakah has met with representatives of the Bank's legal department and reportedly has reviewed documents held by the Bank. (Ramy Lakah and Michel Lakah returned to Egypt on March 11, 2010.)
3. As we informed the Court on March 9, the Bank will not disclose the requested documents to our local Egyptian counsel until original Waiver Letters, or some other appropriate original forms of authorization, have been provided.

PricewaterhouseCoopers and Deloitte & Touche

This Court directed Petitioners to contact PricewaterhouseCoopers and Deloitte & Touche to request documents related to their purported audits/reviews of the Lakah companies. (Conf. held March 9, 2010, Tr. at 66-67.) Petitioners were directed to make such contact within 10 days (*i.e.*, by March 19), and to send a letter to Respondents' counsel and the Court explaining the status of those companies' documents. (Conf. held 3/9/2010 Tr. at 67.) They have not sent such a letter.

Petitioners' Document Production

On March 19, 2010, counsel for Petitioner Ramy Lakah produced for the first time a set of documents labeled GAH-1 through GAH-168. Petitioners had previously repeatedly represented to the Court for at least two years, beginning on March 18, 2008, that counsel had not withheld any documents and that Petitioners had no other documents to produce. Petitioners have offered no explanation regarding their recent production.

¹ The Khatib 4/15/10 Decl. supplements the Declaration of Ayman Abdel Hameed El Khatib Concerning Visits to Bank Misr with Gamil Halim, dated March 9, 2010 (the "Khatib March 9, 2010 Declaration"). We also submit with this letter another copy of the Khatib March 9, 2010 Declaration, as the copy that we handed to the Court during the conference on March 9 inadvertently had omitted a certain portion of its text.

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Moreover, Petitioners previously identified GAH-1 through GAH-20 as exhibits to an unspecified declaration of Gamil Halim, but they have not produced that declaration. Petitioners also have not identified the source(s) of documents labeled GAH-21 through GAH-168.

Petitioners' "Key" to Productions from Files of Brian Murphy and Ramy Lakah

Petitioners produced a mixed set of documents under Bates label "L" and later asserted that those documents came from the files of Brian Murphy and Ramy Lakah. In October 2009, the Court directed Petitioners to provide more detail about the sources of their document productions. They still have not clarified the sources of their "L" documents. At several conferences, counsel for Ramy Lakah represented that he needs Brian Murphy to sort those documents. On March 9, 2010, the Court directed Petitioners to obtain that information from Brian Murphy within 10 days. (Conf. held 3/9/2010 Tr. 67.) Petitioners still have not identified the source(s) of the various documents labeled "L".

Respectfully,


Kevin N. Ainsworth (PP)

Enclosures

cc: Lester Schwab Katz & Dwyer, LLP
Attn: Lawrence Steckman, Esq. (via email)
Frankfurt Kurnit Klein & Selz, PC
Attn: Ronald Minkoff, Esq. (via email)